

Senate File 2253 - Introduced

SENATE FILE 2253
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 2112)

A BILL FOR

1 An Act providing for the establishment of the Iowa health
2 insurance marketplace and including effective date
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWA HEALTH INSURANCE MARKETPLACE ACT

Section 1. NEW SECTION. 514M.1 Title.

This chapter shall be known and may be cited as the "*Iowa Health Insurance Marketplace Act*".

Sec. 2. NEW SECTION. 514M.2 Purpose and intent.

The purpose of this chapter is to provide for the establishment of a health insurance marketplace in this state to facilitate the sale and purchase of qualified health insurance plans by qualified individuals in the individual market in this state and by qualified small employers in the small group market in this state. The intent of authorizing the establishment of a health insurance marketplace in this state is to reduce the number of uninsured individuals in this state, provide a transparent marketplace and consumer education, and assist individuals with access to relevant federal and state programs, premium assistance tax credits, and cost-sharing reductions.

Sec. 3. NEW SECTION. 514M.3 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Board*" means the board of directors of the Iowa health insurance marketplace as provided in section 514M.5.

2. "*Commissioner*" means the commissioner of insurance.

3. "*Executive director*" means the executive director of the Iowa health insurance marketplace.

4. "*Federal Act*" means the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and any amendments thereto, or regulations or guidance issued under, those Acts.

5. "*Health carrier*" means an entity subject to the insurance laws and rules of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of

1 the costs of health care services, including an insurance
2 company offering sickness and accident plans, a health
3 maintenance organization, a nonprofit hospital or health
4 service corporation, or any other entity providing a plan of
5 health insurance, health benefits, or health services.

6 6. a. *"Health insurance plan"* means a policy, contract,
7 certificate, or agreement offered or issued by a health carrier
8 to provide, deliver, arrange for, pay for, or reimburse any of
9 the costs of health care services.

10 b. *"Health insurance plan"* does not include any of the
11 following:

12 (1) Coverage only for accident, or disability income
13 insurance, or any combination thereof.

14 (2) Coverage issued as a supplement to liability insurance.

15 (3) Liability insurance, including general liability
16 insurance and automobile liability insurance.

17 (4) Workers' compensation or similar insurance.

18 (5) Automobile medical payment insurance.

19 (6) Credit-only insurance.

20 (7) Coverage for on-site medical clinics.

21 (8) Other similar insurance coverage, specified in federal
22 regulations issued pursuant to Tit. XXVII of the federal Public
23 Health Service Act, as enacted by the federal Health Insurance
24 Portability and Accountability Act of 1996, Pub. L. No.
25 104-191, and amended by the federal Act, under which benefits
26 for health care services are secondary or incidental to other
27 insurance benefits.

28 c. *"Health insurance plan"* does not include any of the
29 following benefits if they are provided under a separate
30 policy, certificate, or contract of insurance or are otherwise
31 not an integral part of the plan:

32 (1) Limited scope dental or vision benefits.

33 (2) Benefits for long-term care, nursing home care, home
34 health care, community-based care, or any combination thereof.

35 (3) Other similar, limited benefits specified in federal

1 regulations issued pursuant to the federal Health Insurance
2 Portability and Accountability Act of 1996, Pub. L. No.
3 104-191.

4 *d. "Health insurance plan"* does not include any of the
5 following benefits if the benefits are provided under a
6 separate policy, certificate, or contract of insurance, there
7 is no coordination between the provision of the benefits
8 and any exclusion of benefits under any group health plan
9 maintained by the same plan sponsor, and the benefits are paid
10 with respect to an event without regard to whether benefits are
11 provided with respect to such an event under any group health
12 plan maintained by the same plan sponsor:

13 (1) Coverage only for a specified disease or illness.

14 (2) Hospital indemnity or other fixed indemnity insurance.

15 *e. "Health insurance plan"* does not include any of the
16 following if offered as a separate policy, certificate, or
17 contract of insurance:

18 (1) Medicare supplemental health insurance as defined under
19 section 1882(g)(1) of the federal Social Security Act.

20 (2) Coverage supplemental to the coverage provided under 10
21 U.S.C. ch. 55, by the civilian health and medical program of
22 the uniformed services.

23 (3) Supplemental coverage similar to that provided under a
24 group health insurance plan.

25 7. *"Insurance producer"* means a person required to be
26 licensed under chapter 522B.

27 8. *"Marketplace"* means the Iowa health insurance marketplace
28 established pursuant to section 514M.4.

29 9. *"Navigator"* means a person selected, licensed, and
30 regulated by the marketplace in accordance with section 1311(i)
31 of the federal Act, standards developed by the secretary, and
32 chapter 522D.

33 10. *"Qualified dental plan"* means a limited scope dental
34 plan that has been certified in accordance with section
35 514M.10.

1 11. *"Qualified employer"* means a small employer that elects
2 to make its full-time employees eligible for one or more
3 qualified health insurance plans offered through the small
4 business health options program of the marketplace, and at
5 the option of the employer, make some or all of its part-time
6 employees so eligible, provided that the employer does either
7 of the following:

8 a. Has its principal place of business in this state and
9 elects to provide coverage through the marketplace to all of
10 its eligible employees wherever employed.

11 b. Elects to provide coverage through the marketplace to all
12 of its eligible employees who are principally employed in this
13 state.

14 12. *"Qualified health plan"* means a health plan that has in
15 effect a certification as described in section 1311(c) of the
16 federal Act and section 514M.10.

17 13. *"Qualified individual"* means an individual, including a
18 minor, who is all of the following:

19 a. Is seeking to enroll in a qualified health plan offered
20 to individuals through the marketplace.

21 b. Is a resident of this state.

22 c. At the time of enrollment, is not incarcerated, other
23 than incarceration pending the disposition of charges.

24 d. Is, and is reasonably expected to be, for the entire
25 period for which enrollment is sought, a citizen or national of
26 the United States or an alien lawfully present in the United
27 States.

28 14. *"Secretary"* means the secretary of the United States
29 department of health and human services.

30 15. *"Secretary of the board"* means the secretary of the
31 board of directors of the Iowa health insurance marketplace.

32 16. *"Small business health options program"* means the small
33 business health options program component of the marketplace
34 established under section 514M.8.

35 17. a. *"Small employer"* means an employer that employed

1 an average of at least one and not more than fifty employees
2 during the preceding calendar year.

3 *b.* For the purposes of this subsection:

4 (1) All persons treated as a single employer under
5 subsection (b), (c), (m), or (o) of section 414 of the Internal
6 Revenue Code of 1986 shall be treated as a single employer.

7 (2) An employer and any predecessor employer shall be
8 treated as a single employer.

9 (3) All employees shall be counted, including part-time
10 employees and employees who are not eligible for coverage
11 through the employer.

12 (4) If an employer was not in existence throughout the
13 preceding calendar year, the determination of whether that
14 employer is a small employer shall be based on the average
15 number of employees that the employer is reasonably expected to
16 employ on business days in the current calendar year.

17 (5) An employer that makes enrollment in qualified health
18 plans available to its employees through the small business
19 health options program component of the marketplace, and
20 would cease to be a small employer by reason of an increase
21 in the number of its employees, shall continue to be treated
22 as a small employer for purposes of this chapter as long as
23 the employer continuously makes enrollment through the small
24 business health options program component of the marketplace
25 available to its employees.

26 Sec. 4. NEW SECTION. 514M.4 Establishment of Iowa health
27 insurance marketplace.

28 1. The Iowa health insurance marketplace is established
29 as a nonprofit corporation. The marketplace shall be
30 established for the purpose of facilitating the sale and
31 purchase of qualified health plans by qualified individuals
32 in the individual market in this state and by qualified small
33 employers in the small group market in this state.

34 2. The powers and duties of the marketplace are vested in
35 and shall be exercised by a board of directors established

1 under section 514M.5.

2 3. The marketplace shall operate under a plan of operation
3 established and approved by the board of directors, in
4 consultation with the commissioner. The plan shall effectuate
5 the purposes of this chapter and assure the fair, reasonable,
6 and equitable administration of the marketplace. The board
7 shall do all of the following pursuant to the plan, including
8 but not limited to:

9 a. Plan, direct, coordinate, and execute the administrative
10 functions of the marketplace.

11 b. Employ professional and clerical staff as necessary.

12 c. Keep an accurate account of all activities, receipts,
13 and expenditures of the marketplace and annually submit a
14 report to the commissioner, governor, general assembly, and
15 the auditor of state concerning such accountings pursuant to
16 section 514M.14.

17 4. The marketplace shall be operated on a statewide basis.

18 5. The marketplace shall include separate marketplace
19 components which facilitate the sale and purchase of qualified
20 health plans to eligible individuals and to small employers as
21 described in this chapter and in the federal Act.

22 6. The marketplace may establish a reimbursement system for
23 health insurance plans issued in this state that all health
24 carriers and health care providers may join to facilitate fair
25 and reasonable payments for the cost of health care services
26 provided pursuant to a health insurance plan.

27 7. The marketplace shall do all of the following:

28 a. Facilitate the purchase and sale of qualified health
29 plans to qualified individuals and qualified employers as
30 described in this chapter and in the federal Act.

31 b. Establish rate schedules for commissions paid to
32 insurance producers by qualified health plans offered through
33 the marketplace.

34 c. Meet the requirements of this chapter and any rules
35 adopted pursuant to this chapter.

1 8. *a.* A person who selects, purchases, or enrolls in a
 2 qualified health plan offered through the marketplace shall be
 3 enrolled in the plan by an insurance producer or may enroll in
 4 the plan directly through the marketplace internet site. The
 5 commission paid to an insurance producer who enrolls a person
 6 in a plan offered through the marketplace shall be established
 7 by the marketplace.

8 *b.* On the anniversary date of coverage obtained through
 9 the marketplace, an enrollee may renew or enroll in coverage
 10 offered through the marketplace through any insurance producer
 11 of the enrollee's choice or may enroll directly through the
 12 marketplace internet site. A commission shall be paid to an
 13 insurance producer who renews or enrolls a person in coverage
 14 under this paragraph in the same manner as is provided in
 15 paragraph "a".

16 9. The marketplace may contract with an experienced and
 17 reputable entity to develop and maintain the marketplace's
 18 internet site. The entity shall preferably have relevant
 19 experience in developing and maintaining similar state health
 20 insurance plan internet sites.

21 10. The marketplace may employ staff to carry out
 22 the functions of the marketplace, but no employee of the
 23 marketplace shall sell, solicit, or negotiate enrollment in a
 24 health insurance plan or otherwise offer services for which
 25 a license as an insurance producer is required pursuant to
 26 chapter 522B.

27 11. The marketplace may contract with an eligible entity to
 28 fulfill any of its specialized duties or responsibilities as
 29 described in this chapter. An eligible entity includes but is
 30 not limited to an entity that has experience in individual and
 31 small group health insurance plans, benefit administration, or
 32 other experience relevant to the responsibilities to be assumed
 33 by the entity. However, a health carrier or an affiliate of a
 34 health carrier is not an eligible entity for the purposes of
 35 this subsection.

1 12. The marketplace may enter into information-sharing
2 agreements with federal and state agencies to carry out
3 its responsibilities under this chapter provided such
4 agreements include adequate protections with respect to the
5 confidentiality of the information to be shared and comply with
6 all state laws and rules and federal laws and regulations.

7 13. Each qualified health plan offered through the
8 marketplace shall be assigned a rating by the marketplace in
9 accordance with criteria developed by the secretary under
10 section 1311(c)(3) of the federal Act, and the marketplace
11 shall determine the level of coverage of each qualified health
12 plan in accordance with regulations issued by the secretary
13 under section 1302(d)(2)(A) of the federal Act and applicable
14 state law.

15 14. If a qualified health plan offered through the
16 marketplace meets or exceeds the criteria for a qualified
17 health plan set forth by the secretary, the plan shall be
18 reviewed and assigned a rating by the marketplace.

19 Sec. 5. NEW SECTION. 514M.5 Board of directors — executive
20 director — secretary.

21 1. The board of directors of the Iowa health insurance
22 marketplace shall effectuate the powers and duties of the
23 marketplace as set forth in this chapter.

24 2. a. The board shall consist of seven members. The
25 members shall be appointed by the governor, subject to
26 confirmation by the senate. The members of the board shall
27 annually elect one member as chairperson and one member as vice
28 chairperson.

29 b. The members shall be appointed by the governor as
30 follows:

31 (1) Two persons who represent the interests of small
32 business from nominations made to the governor by nationally
33 recognized groups that represent the interests of small
34 business.

35 (2) Three persons who represent the interests of consumers

1 from nominations made to the governor by nationally recognized
2 groups that represent the interests of consumers.

3 (3) One person who is an insurance producer licensed under
4 chapter 522B.

5 (4) One person who is a health care provider.

6 3. The governor shall not appoint to the board any person
7 who is either the spouse or a relative within the first degree
8 of consanguinity of a serving member of the board.

9 4. Each member of the board appointed by the governor shall
10 be a resident of this state and the composition of members of
11 the board shall be in compliance with sections 69.16, 69.16A,
12 and 69.16C.

13 5. The members of the board shall be appointed for staggered
14 terms of three years as provided in section 69.19. The initial
15 terms of the members of the board shall be staggered at the
16 discretion of the governor. A member of the board is eligible
17 for reappointment. The governor shall fill a vacancy on the
18 board in the same manner as the original appointment for the
19 remainder of the term. A member of the board may be removed
20 by the governor for misfeasance, malfeasance, willful neglect
21 of duty, failure to actively participate in the affairs of the
22 board, or other cause after notice and a public hearing unless
23 the notice and hearing are waived by the member in writing.

24 6. A member of the board shall not be an employee of,
25 a consultant to, a member of the board of directors of,
26 affiliated with, have an ownership interest in, or otherwise
27 be a representative of any health carrier, insurance producer
28 agency, insurance consultant organization, trade association of
29 insurers, or association offering health insurance plans to its
30 members, while serving on the board.

31 7. Members of the board shall be reimbursed from the moneys
32 of the marketplace for all actual and necessary expenses
33 incurred in the performance of their duties as members, and
34 shall receive per diem at the rate of fifty dollars per day for
35 their services.

1 8. A majority of the members of the board constitutes a
2 quorum. The affirmative vote of a majority of the members is
3 necessary for any action taken by the board. The majority
4 shall not include a member who has a conflict of interest and a
5 statement by a member of a conflict of interest is conclusive
6 for this purpose. A vacancy in the membership of the board
7 does not impair the right of a quorum to exercise the rights
8 and perform the duties of the board. An action taken by the
9 board under this chapter may be authorized by resolution at
10 a regular or special meeting and each resolution shall take
11 effect immediately and need not be published or posted.

12 9. The members of the board shall give bond as required for
13 public officers by chapter 64.

14 10. The members of the board are subject to and are
15 officials within the meaning of chapter 68B.

16 11. The board shall meet at the call of the chairperson,
17 or in the absence of the chairperson, at the call of the vice
18 chairperson, or when any four members of the board file a
19 written request with the chairperson for a meeting. Written
20 notice of the time and place of each meeting shall be given to
21 each member of the board.

22 12. *a.* The members of the board shall appoint an executive
23 director, subject to confirmation by the senate, to supervise
24 the administrative affairs and general management and
25 operations of the marketplace.

26 *b.* The members of the board may appoint other officers as
27 the members of the board determine. The officers shall not be
28 members of the board and shall serve at the pleasure of the
29 members of the board, and shall receive compensation as fixed
30 by the board.

31 *c.* The board may employ other staff to carry out the
32 functions of the marketplace, but no employee of the
33 marketplace shall sell, solicit, or negotiate enrollment in a
34 health insurance plan or otherwise offer services for which
35 a license as an insurance producer is required pursuant to

1 chapter 522B. All employees of the marketplace are exempt from
2 chapter 8A, subchapter IV, and chapter 97B.

3 13. *a.* The members of the board shall appoint a secretary
4 of the board who shall keep a record of the proceedings of the
5 board, and shall be the custodian of all books, documents, and
6 papers filed with the board, including information filed in an
7 electronic format, and the minute book or journal of the board.
8 *b.* The secretary of the board shall serve at the pleasure
9 of the board, and shall receive compensation as fixed by the
10 board.

11 14. Members of the board, or persons acting on behalf of
12 the marketplace, while acting in the scope of their agency or
13 employment, are not subject to personal liability resulting
14 from carrying out the powers and duties in this chapter.

15 Sec. 6. NEW SECTION. 514M.6 **General powers.**

16 1. The marketplace has any and all powers necessary and
17 convenient to carry out its purposes and duties and exercise
18 its specific powers, including but not limited to the power to:

19 *a.* Sue and be sued in its own name.

20 *b.* Have and alter a corporate seal.

21 *c.* Make and alter bylaws for its management consistent with
22 the provisions of this chapter.

23 *d.* Make and execute agreements, contracts, and other
24 instruments of any and all types on such terms and conditions
25 as the marketplace may find necessary or convenient to the
26 purpose of the marketplace, with any public or private entity,
27 including but not limited to contracts for goods and services.
28 All political subdivisions, other public agencies, and state
29 departments and agencies may enter into contracts and otherwise
30 cooperate with the marketplace.

31 *e.* Adopt procedures relating to competitive bidding,
32 including the identification of those circumstances under
33 which competitive bidding by the marketplace, either
34 formally or informally, shall be required. In any bidding
35 process, the marketplace may administer its own bidding and

1 procurement or may utilize the services of the department of
2 administrative services or any other agency. Except when such
3 rules apply, the marketplace and all contracts entered into
4 by the marketplace in carrying out its public and essential
5 governmental functions with respect to any of its purposes
6 shall be exempt from the provisions and requirements of all
7 laws or rules of the state which require competitive bids in
8 connection with the letting of such contracts.

9 *f.* Acquire, hold, improve, mortgage, lease, and dispose of
10 real and personal property, including but not limited to the
11 power to sell at public or private sale, with or without public
12 bidding, any such property, or other obligation held by it.

13 *g.* Procure insurance against any loss in connection with its
14 operations and property interests.

15 *h.* Accept appropriations, gifts, grants, loans, or other
16 aid from public or private entities. A record of all gifts or
17 grants, stating the type, amount, and donor, shall be clearly
18 set out in the marketplace's annual report along with the
19 record of other receipts.

20 *i.* Provide to public and private entities technical
21 assistance and counseling related to the marketplace's
22 purposes.

23 *j.* In cooperation with other local, state, or federal
24 governmental agencies, conduct research studies, develop
25 estimates of unmet health insurance needs, gather and compile
26 data useful to facilitating decision making, and enter into
27 agreements to carry out programs within or without the state
28 which the marketplace finds to be consistent with the goals of
29 the marketplace.

30 *k.* Enter into agreements with the federal government,
31 tribes, and other states to facilitate the sale or purchase of
32 qualified health plans by qualified individuals and qualified
33 small employers in this state.

34 *l.* Own or acquire intellectual property rights including
35 but not limited to copyrights, trademarks, service marks, and

1 patents, and enforce the rights of the marketplace with respect
2 to such intellectual property rights.

3 *m.* Form committees or panels as necessary to facilitate the
4 marketplace's duties. Committees or panels formed pursuant to
5 this paragraph shall be subject to the provisions of chapters
6 21 and 22.

7 *n.* Establish one or more funds within the state treasury
8 under the control of the marketplace. Notwithstanding section
9 8.33 or 12C.7, or any other provision to the contrary, moneys
10 invested by the treasurer of state pursuant to this paragraph
11 shall not revert to the general fund of the state and interest
12 accrued on the moneys shall be moneys of the marketplace and
13 shall not be credited to the general fund of the state. The
14 nonreversion of moneys allowed under this paragraph does not
15 apply to moneys appropriated to the marketplace by the general
16 assembly.

17 *o.* Exercise generally all powers typically exercised by
18 private enterprises engaged in business pursuits unless the
19 exercise of such a power would violate the terms of this
20 chapter or the Constitution of the State of Iowa.

21 2. Notwithstanding any other provision of law, any purchase
22 or lease of real property, other than on a temporary basis,
23 when necessary in order to implement the purposes of the
24 marketplace or protect the investments of the marketplace,
25 shall require written notice from the marketplace to the
26 government oversight committees of the general assembly or
27 their successor committees and the prior approval of the
28 executive council.

29 3. The powers enumerated in this section are cumulative of
30 and in addition to those powers enumerated elsewhere in this
31 chapter and such powers do not limit or restrict any other
32 powers of the marketplace.

33 Sec. 7. NEW SECTION. 514M.7 **Specific powers.**

34 1. In addition to the general powers described in section
35 514M.6, the marketplace shall have all powers convenient and

1 necessary to carry out the purpose and intent of this chapter.

2 2. The marketplace established pursuant to section 514M.4
3 shall make qualified health plans that are effective on January
4 1, 2016, available to qualified individuals and qualified
5 employers in this state.

6 3. At such time as applications for waivers from the
7 requirements of the federal Act are accepted by the secretary,
8 the marketplace may request such waivers from the secretary.

9 4. The marketplace shall allow a health carrier to offer a
10 plan that provides limited scope dental benefits meeting the
11 requirements of section 9832(c)(2)(A) of the Internal Revenue
12 Code of 1986 through the marketplace, either separately or in
13 conjunction with a qualified health plan, if the plan provides
14 pediatric dental benefits meeting the requirements of section
15 1302(b)(1)(J) of the federal Act.

16 5. The marketplace or a health carrier offering qualified
17 health plans through the marketplace shall not charge an
18 individual a fee or penalty for termination of coverage if
19 the individual enrolls in another type of minimum essential
20 coverage because the individual has become newly eligible for
21 that coverage or because the individual's employer-sponsored
22 coverage has become affordable using the standards of the
23 federal Act, as codified at section 36B(c)(2)(C) of the
24 Internal Revenue Code of 1986.

25 Sec. 8. NEW SECTION. 514M.8 Duties of the marketplace.

26 The marketplace shall do all of the following:

27 1. Implement procedures for the certification,
28 recertification, and decertification of health insurance plans
29 as qualified health plans, consistent with guidelines developed
30 by the secretary under section 1311(c) of the federal Act and
31 applicable state law.

32 2. Provide for the operation of an internet site, a
33 toll-free telephone hotline, and in-person support staff
34 available in selected locations in the state to respond to
35 requests for assistance.

1 3. Provide for enrollment periods, as determined by the
2 secretary under section 1311(c)(6) of the federal Act and
3 applicable state law.

4 4. Utilize a standardized format for presenting health
5 insurance plan options in the marketplace, including the use of
6 the uniform outline of coverage established under section 2715
7 of the Public Health Service Act and applicable state law.

8 5. In accordance with section 1413 of the federal Act
9 and applicable state law, inform individuals of eligibility
10 requirements for the Medicaid program under Tit. XIX of the
11 federal Social Security Act, the children's health insurance
12 program under Tit. XXI of the federal Social Security Act,
13 or any applicable state or local public program, screen
14 any application received by the marketplace, and assist
15 the department of human services in enrolling any eligible
16 individual for any such program.

17 6. Establish and make available by electronic means a
18 calculator to determine the actual cost of coverage after
19 application of any premium tax credit for which an individual
20 is eligible using the standards of the federal Act as codified
21 at section 36B(c)(2)(C) of the Internal Revenue Code of 1986
22 and any cost-sharing reductions under section 1402 of the
23 federal Act.

24 7. Establish a small business health options program
25 component of the marketplace through which individuals
26 employed by a qualified employer may enroll in any qualified
27 health plan offered through the small business health options
28 program at the level of coverage specified by the employer.
29 In establishing a small business health options program
30 marketplace component, the marketplace shall do all of the
31 following:

32 a. Provide consolidated billing and premium payment
33 by qualified employers including detailed information to
34 those employers about health insurance plans chosen by their
35 employees and the cost of those plans.

1 *b.* Establish an electronic interface and facilitate the flow
2 of funds between health carriers, employers, and employees,
3 including subsidiaries.

4 *c.* Provide for the dissemination of health insurance plan
5 enrollment information to employers.

6 8. Establish an individual health options marketplace
7 component through which individuals may enroll in any qualified
8 health plan for individuals.

9 9. Establish and operate a program to engage both certified
10 application counselors and navigators to facilitate the
11 enrollment of applicants in qualified health plans offered
12 through the marketplace or in health insurance plans offered
13 outside the marketplace.

14 10. Select entities qualified and licensed to serve as
15 navigators in accordance with section 1311(i) of the federal
16 Act, standards developed by the secretary, section 514M.9, and
17 chapter 522D, and award grants to facilitate the function of
18 navigators as provided in section 514M.9.

19 11. Encourage and review the development of cafeteria plans
20 pursuant to section 125 of the Internal Revenue Code of 1986,
21 for use by employers participating in the marketplace.

22 12. Maintain an internet site through which enrollees,
23 employers, and prospective enrollees of qualified health
24 plans, at a minimum, may obtain standardized comparative
25 information on qualified health plans and health plans that
26 are not offered through the marketplace. In developing the
27 electronic clearinghouse, the marketplace may require health
28 carriers participating in the marketplace to make available
29 and regularly update an electronic directory of contracting
30 health care providers so individuals seeking coverage through
31 the marketplace can search by health care provider name to
32 determine which qualified health plans in the marketplace
33 include that health care provider in their network, and whether
34 that health care provider is accepting new patients for that
35 particular health plan.

1 13. Consult with stakeholders who are relevant to carrying
2 out the activities required under this chapter.

3 14. Assist in the implementation of reinsurance and risk
4 adjustment mechanisms, as required by state and federal law.

5 15. Establish guidelines for determining qualifications for
6 marketplace employees and entities or persons who are licensed
7 and selected as navigators.

8 16. Subject to section 1411 of the federal Act and
9 applicable state law, grant a certification attesting that, for
10 purposes of the individual responsibility penalty under the
11 standards of the federal Act, as codified at section 5000A of
12 the Internal Revenue Code of 1986, an individual is exempt from
13 the individual responsibility requirement or from the penalty
14 imposed by that section because of any of the following:

15 a. There is no affordable qualified health plan available
16 through the marketplace, or the individual's employer, covering
17 the individual.

18 b. The individual meets the requirements for any other such
19 exemption from the individual responsibility requirement or
20 penalty.

21 17. Transfer to the United States secretary of the treasury
22 all of the following:

23 a. A list of the individuals who are issued a certification
24 under subsection 16, paragraph "a", including the name and
25 taxpayer identification number of each individual.

26 b. The name and taxpayer identification number of each
27 individual who was an employee of an employer but who was
28 determined to be eligible for the premium tax credit using
29 the standards of the federal Act as codified at section
30 36B(c)(2)(C) of the Internal Revenue Code of 1986, because of
31 either of the following:

32 (1) The employer did not provide minimum essential health
33 benefits coverage.

34 (2) The employer provided minimum essential health benefits
35 coverage, but it was determined using the standards of the

1 federal Act, as codified at section 36B(c)(2)(C) of the
2 Internal Revenue Code of 1986, to either be unaffordable to
3 the employee or not to provide the required minimum actuarial
4 value.

5 c. The name and taxpayer identification number of all of the
6 following:

7 (1) Each individual who notifies the marketplace under
8 section 1411(b)(4) of the federal Act that the individual has
9 changed employers.

10 (2) Each individual who ceases coverage under a qualified
11 health plan during a plan year and the effective date of that
12 cessation.

13 18. Provide to each employer the name of each employee of
14 the employer described in subsection 17, paragraph "b", who
15 ceases coverage under a qualified health plan during a plan
16 year and the effective date of the cessation.

17 19. Perform duties required of, or delegated to, the
18 marketplace by the secretary, the United States secretary
19 of the treasury, or the commissioner related to determining
20 eligibility for premium tax credits, reduced cost-sharing, or
21 individual responsibility requirement exemptions.

22 20. In consultation with the commissioner, review the
23 rate of premium growth of health insurance plans within the
24 marketplace and outside the marketplace, and consider the
25 information obtained in developing recommendations on whether
26 to continue limiting qualified employer status to small
27 employers.

28 Sec. 9. NEW SECTION. 514M.9 Navigators.

29 1. The marketplace may select entities qualified and
30 licensed to serve as navigators in accordance with section
31 1311(i) of the federal Act, standards developed by the
32 secretary, and applicable state law including chapter 522D, and
33 award grants to enable navigators to do all of the following:

34 a. Conduct public education activities to raise awareness
35 of the availability of qualified health plans through the

1 marketplace.

2 *b.* Distribute fair and impartial information concerning
3 enrollment in qualified health plans, and the availability of
4 premium tax credits for which an individual may be eligible
5 using the standards of the federal Act, as codified at section
6 36B(c)(2)(C) of the Internal Revenue Code of 1986, and any
7 cost-sharing reductions under section 1402 of the federal Act.

8 *c.* Facilitate enrollment in qualified health plans offered
9 through the marketplace or in health insurance plans offered
10 outside the marketplace by referring consumers to insurance
11 producers and to the marketplace internet site for enrollment.

12 *d.* Provide referrals to the office of health insurance
13 consumer assistance established under the federal Act pursuant
14 to section 2793 of the federal Public Health Service Act
15 and the office of the commissioner or any other appropriate
16 state agency, for any enrollee with a grievance, complaint,
17 or question regarding the enrollee's health insurance plan or
18 coverage, or a determination under that plan or coverage.

19 *e.* Provide information in a manner that is culturally and
20 linguistically appropriate to the needs of the population being
21 served by the marketplace.

22 2. An entity selected and licensed as a navigator shall not
23 engage in any activities that require licensure as an insurance
24 producer under chapter 522B unless the entity is also licensed
25 as an insurance producer.

26 Sec. 10. NEW SECTION. 514M.10 Health insurance plan
27 certification.

28 1. The marketplace may certify a health insurance plan as a
29 qualified health plan if the plan meets all of the following
30 criteria:

31 *a.* The plan provides the essential health benefit package
32 described in section 1302(a) of the federal Act, except that
33 the plan is not required to provide essential benefits that
34 duplicate the minimum benefits of qualified dental plans as
35 provided in subsection 6 if all of the following occur:

1 (1) The marketplace determines that at least one qualified
2 dental plan is available to supplement the plan's coverage.

3 (2) The health carrier makes a prominent disclosure at the
4 time it offers the plan, in a form approved by the marketplace,
5 that the plan does not provide the full range of essential
6 pediatric benefits and that qualified dental plans providing
7 those benefits and other dental benefits not covered by the
8 plan are offered through the marketplace.

9 *b.* The premium rates and contract language have been
10 approved by the commissioner.

11 *c.* The plan provides at least a bronze level of coverage,
12 as that level is defined by the federal Act, unless the plan
13 is certified as a qualified catastrophic plan, meets the
14 requirements of the federal Act for catastrophic plans, and
15 will only be offered to individuals eligible for catastrophic
16 coverage.

17 *d.* The plan's cost-sharing requirements do not exceed the
18 limits established under section 1302(c)(1) of the federal Act,
19 and if the plan is offered through the small business health
20 options program component of the marketplace that offers plans
21 to small employers, the plan's deductible does not exceed the
22 limits established under section 1302(c)(2) of the federal Act.

23 *e.* The plan offers wellness programs.

24 *f.* The health carrier offering the plan provides greater
25 transparency and disclosure of information about the plan
26 benefits, provider networks, claim payment practices, and
27 solvency ratings, and establishes a process for consumers to
28 compare features of health insurance plans offered through the
29 marketplace.

30 *g.* The health carrier offering the plan meets all of the
31 following criteria:

32 (1) Is licensed and in good standing to offer health
33 insurance coverage in this state.

34 (2) Offers at least one qualified health plan in the silver
35 level and at least one qualified health plan in the gold level,

1 as those levels are defined in the federal Act, through each
2 component of the marketplace in which the health carrier
3 participates, where component refers to the components of the
4 marketplace which offer individual coverage and coverage for
5 small employers.

6 (3) Charges the same premium rate for each qualified health
7 plan without regard to whether the plan is offered through the
8 marketplace.

9 (4) Does not charge any termination of coverage fees or
10 penalties in violation of section 514M.7.

11 (5) Complies with the regulations developed by the
12 secretary under section 1311(d) of the federal Act, applicable
13 state laws, and such other requirements as the marketplace may
14 establish.

15 *h.* The plan meets the requirements of certification as
16 adopted by rule pursuant to this section and by the secretary
17 under section 1311(c) of the federal Act, which include but
18 are not limited to minimum standards in the areas of marketing
19 practices, network adequacy, essential community providers in
20 underserved areas, accreditation, quality improvement, uniform
21 enrollment forms and descriptions of coverage, and information
22 on quality measures for plan performance.

23 *i.* The marketplace determines that making the plan available
24 through the marketplace is in the interest of qualified
25 individuals and qualified employers in this state.

26 2. The marketplace shall not exclude a health insurance plan
27 from certification for any of the following reasons:

28 *a.* On the basis that the plan is a fee-for-service plan.

29 *b.* Through the imposition of premium price controls.

30 *c.* On the basis that the plan provides treatments necessary
31 to prevent patients' deaths in circumstances the marketplace
32 determines are inappropriate or too costly.

33 3. The marketplace shall require each health carrier
34 seeking certification of a health insurance plan as a qualified
35 health plan to do all of the following:

1 *a.* Provide notice of any proposed premium increase and
2 a justification for the increase to the marketplace and to
3 affected policyholders before implementation of that increase.
4 The health carrier shall prominently post the information
5 on its internet site. The marketplace shall take this
6 information, along with the information and the recommendations
7 provided to the marketplace by the commissioner under the
8 federal Act pursuant to section 2794(b) of the federal Public
9 Health Service Act and applicable state law, into consideration
10 when determining whether to allow the health carrier to make
11 plans available through the marketplace.

12 *b.* Make available to the public, in the format described in
13 paragraph "*c*", and submit to the marketplace, the secretary, and
14 the commissioner, accurate and timely disclosure of all of the
15 following:

- 16 (1) Claims payment policies and practices.
- 17 (2) Periodic financial disclosures.
- 18 (3) Data on enrollment.
- 19 (4) Data on disenrollment.
- 20 (5) Data on the number of claims that are denied.
- 21 (6) Data on rating practices.
- 22 (7) Information on cost-sharing and payments with respect
23 to any out-of-network coverage.
- 24 (8) Information on enrollee and participant rights under
25 Tit. I of the federal Act and applicable state law.
- 26 (9) Other information as determined appropriate by the
27 secretary, the marketplace, or the commissioner.

28 *c.* The information required in paragraph "*b*" shall be
29 provided in plain language, as that term is defined in section
30 1311(e) of the federal Act, as amended by section 10104 of the
31 federal Act, and applicable state law.

32 4. The marketplace shall permit individuals to learn,
33 in a timely manner upon the request of an individual, the
34 amount of cost-sharing, including deductibles, copayments,
35 and coinsurance, under the individual's health insurance plan

1 or coverage for which the individual would be responsible
2 for paying with respect to the furnishing of a specific item
3 or service by a participating health care provider. At a
4 minimum, this information shall be made available to the
5 individual through an internet site and through other means for
6 individuals without access to the internet.

7 5. The marketplace shall not exempt any health carrier
8 seeking certification of a health insurance plan, regardless
9 of the type or size of the health carrier, from applicable
10 state licensure or solvency requirements and shall apply the
11 criteria of this section in a manner that assures a level
12 playing field between or among health carriers participating
13 in the marketplace.

14 6. *a.* The provisions of this chapter that are applicable to
15 qualified health plans shall also apply to the extent relevant
16 to qualified dental plans except as modified in accordance with
17 the provisions of paragraphs "*b*", "*c*", and "*d*", or by rules
18 adopted by the marketplace.

19 *b.* A health carrier to offer dental coverage shall be
20 licensed, but is not required to be licensed to offer other
21 health benefits.

22 *c.* A qualified dental plan shall be limited to dental and
23 oral health benefits, without substantially duplicating the
24 benefits typically offered by health insurance plans without
25 dental coverage and shall include, at a minimum, the essential
26 pediatric dental benefits prescribed by the secretary pursuant
27 to section 1302(b)(1)(J) of the federal Act, and such other
28 dental benefits as the marketplace or the secretary may specify
29 by rule or regulation.

30 *d.* A comprehensive plan may be offered through the
31 marketplace in which dental benefits are included either as
32 part of a qualified health plan, or by a qualified dental
33 plan offered in conjunction with a qualified health plan,
34 provided that the medical and dental benefits offered by the
35 comprehensive plan are priced separately and are offered for

1 purchase separately at the same price.

2 Sec. 11. NEW SECTION. 514M.11 Funding — publication of
3 costs.

4 1. The marketplace may charge assessments or user fees to
5 health carriers that offer health insurance plans through the
6 marketplace or may otherwise generate the funding necessary to
7 support the operation of the marketplace, as provided pursuant
8 to the plan of operation of the marketplace.

9 2. The marketplace may charge user fees in the form of a
10 transaction fee set at a percentage of the premium paid for a
11 health insurance plan sold through the marketplace.

12 3. The marketplace may accept donations consistent with the
13 purpose and intent of this chapter as stated in section 514M.2.

14 4. The marketplace shall publish the average costs of
15 licensing, regulatory fees, and any other payments required
16 by the marketplace, and the administrative costs of the
17 marketplace, on an internet site for the purpose of educating
18 consumers about the costs of operating the marketplace. The
19 information provided shall include information on moneys lost
20 due to waste, fraud, and abuse of the health care system.

21 5. State funding shall not be appropriated or allocated
22 for the operation or administration of the marketplace. Any
23 assessments or user fees charged pursuant to this section
24 shall provide for the sharing of losses and expenses of the
25 marketplace on an equitable and proportionate basis among
26 health carriers in this state as provided in the plan of
27 operation of the marketplace.

28 6. The marketplace may accept for the benefit of the
29 marketplace funds from the federal government and funds held
30 by the Iowa comprehensive health insurance association as
31 established in chapter 514E in the form of member assessments
32 or other moneys not necessary for the payment of the
33 association's obligations under chapter 514E.

34 Sec. 12. NEW SECTION. 514M.12 Rules.

35 In consultation with and subject to the approval of the

1 board, the commissioner shall adopt rules pursuant to chapter
2 17A to effectuate and administer the provisions of this
3 chapter. Rules adopted under this section shall not conflict
4 with or prevent the application of regulations promulgated by
5 the secretary under the federal Act.

6 Sec. 13. NEW SECTION. 514M.13 **Advisory committee.**

7 1. The board shall be advised by a legislative health
8 insurance marketplace implementation review committee
9 consisting of members of the general assembly appointed by the
10 legislative council.

11 2. The advisory committee shall offer input to the board
12 regarding rules proposed by the commissioner, the plan of
13 operation for the marketplace, and any other topics relevant
14 to the marketplace.

15 Sec. 14. NEW SECTION. 514M.14 **Annual report.**

16 1. The marketplace shall submit an annual report to the
17 commissioner, governor, general assembly, and the auditor of
18 state by January 15. The report shall include an accurate
19 accounting of all the activities of the marketplace and of all
20 its receipts and expenditures during the prior fiscal year.

21 2. The report shall describe how the operations and
22 activities of the marketplace serve the interests of the state
23 and further the purposes set forth in this chapter.

24 Sec. 15. NEW SECTION. 514M.15 **Relation to other laws.**

25 This chapter, and action taken by the marketplace pursuant
26 to this chapter, shall not be construed to preempt or supersede
27 the authority of the commissioner to regulate the business
28 of insurance in this state. Except as expressly provided to
29 the contrary in this chapter, all health carriers offering
30 qualified health plans in this state shall comply fully with
31 all applicable health insurance laws of this state and rules
32 adopted and orders issued by the commissioner.

33 Sec. 16. NEW SECTION. 514M.16 **Transition provisions.**

34 1. a. The commissioner and the department of human
35 services, on behalf of the state, shall cause all appropriate

1 planning and establishment and technical assistance grant
2 applications to be made in a timely manner to the secretary
3 relating to the establishment of the marketplace.

4 *b.* The governor shall make all appointments to the board
5 of directors of the marketplace as soon as possible after
6 the enactment of this Act. Upon their appointment, the
7 board of directors of the marketplace shall meet, and in
8 consultation with the commissioner, shall begin plans to
9 implement the transition of the functions and administration
10 of the federal-state partnership exchange in full operation in
11 this state as of January 1, 2014, pursuant to the federal Act,
12 to the marketplace established pursuant to this chapter, in
13 accordance with the federal Act and standards developed by the
14 secretary, and applicable state law.

15 *c.* The marketplace established pursuant to this chapter
16 shall be operational and shall offer enrollment in qualified
17 health plans to qualified individuals and qualified employers
18 in this state on or before October 1, 2015. The qualified
19 health plans that are offered through the marketplace shall be
20 effective on January 1, 2016.

21 2. The commissioner shall transfer the functions and
22 administration of the Iowa insurance information exchange
23 established in section 505.32 to the marketplace established
24 pursuant to this chapter on or before January 1, 2016.

DIVISION II

CORRESPONDING PROVISIONS

27 Sec. 17. Section 505.32, Code 2013, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 6. This section is repealed on July 1,
30 2016.

DIVISION III

EFFECTIVE DATES

33 Sec. 18. EFFECTIVE DATES.

34 1. Except as provided in subsection 2, this Act takes effect
35 January 1, 2015.

1 2. The section of this Act enacting section 514M.16,
2 relating to transition provisions, takes effect upon enactment
3 of this Act.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 This bill provides for the establishment of the Iowa health
8 insurance marketplace.

9 The bill creates new Code chapter 514M, which provides for
10 the establishment of an Iowa health insurance marketplace, in
11 place of the federal-state partnership exchange created and
12 fully operational as of January 1, 2014, to facilitate the
13 sale and purchase of qualified health plans in this state by
14 qualified individuals in the individual market and by qualified
15 small employers in the small group market. The intent of
16 establishing such a marketplace is to reduce the number of
17 uninsured individuals in this state, provide a transparent
18 marketplace and consumer education, and assist individuals
19 with access to relevant federal and state programs, premium
20 assistance tax credits, and cost-sharing reductions.

21 For purposes of the bill, a qualified employer that can
22 participate in the small business health options program
23 component of the marketplace is an employer that employs an
24 average of at least one and not more than 50 employees during
25 the preceding calendar year and elects to make its full-time
26 employees, and at the employer's option, some or all of its
27 part-time employees, eligible for one or more qualified health
28 plans offered through the small business health options program
29 component of the marketplace. A qualified employer must
30 either have its principal place of business in this state and
31 elect to provide health coverage through the marketplace to
32 all of its eligible employees wherever employed, or elect to
33 provide coverage through the marketplace to all of its eligible
34 employees who are principally employed in this state.

35 The Iowa health insurance marketplace is established as a

1 nonprofit corporation. The marketplace shall be operated on
2 a statewide basis pursuant to a plan of operation established
3 and approved by its board of directors in consultation
4 with the commissioner of insurance. The marketplace shall
5 include separate components which facilitate the purchase
6 of qualified health plans by eligible individuals and small
7 employers as described in new Code chapter 514M and the federal
8 Patient Protection and Affordable Care Act, as amended. The
9 marketplace may contract with an experienced and reputable
10 entity to develop and maintain the marketplace's internet site.
11 The marketplace may employ staff to carry out its duties but
12 no employees of the marketplace may offer services for which
13 a license as an insurance producer is required pursuant to
14 Code chapter 522B. The marketplace is also authorized to
15 contract with an eligible entity to fulfill any of its duties
16 or responsibilities as described in new Code chapter 514M.

17 The board of directors of the marketplace is comprised
18 of seven members appointed by the governor for three-year
19 staggered terms with two representing the interests of small
20 business; three representing the interests of consumers; one
21 who is a licensed insurance producer; and one who is a health
22 care provider.

23 The members of the board are required to appoint an
24 executive director, subject to confirmation by the senate, to
25 supervise the administrative affairs and general management
26 and operations of the marketplace. The board may appoint
27 other officers as the board deems necessary. The board is
28 also required to appoint a secretary of the board who keeps
29 a record of the board proceedings, is the custodian of all
30 books, documents, and papers filed with the board, including
31 information filed in an electronic format, and of the minute
32 book or journal of the board.

33 The marketplace has all the general powers of a nonprofit
34 corporation that are necessary and convenient to carry out its
35 purposes and duties and to exercise its specific powers as

1 provided in new Code chapter 514M.

2 The marketplace is required to make qualified health plans
3 that are effective on or before January 1, 2016, available to
4 qualified individuals and qualified employers in the state.
5 The specific duties and powers of the marketplace are set
6 forth in new Code chapter 514M. The specific duties include
7 responding to requests for assistance through an internet site,
8 a toll-free telephone hotline, and in-person support staff
9 available in selected locations in the state; and engaging both
10 certified application counselors and navigators to facilitate
11 applicant enrollment in qualified health plans and other health
12 insurance plans.

13 The marketplace is authorized to select entities licensed
14 and qualified to act as navigators in accordance with the
15 requirements of state and federal law for the purpose of
16 conducting public education activities, distributing fair and
17 impartial information concerning enrollment in qualified health
18 plans, facilitating such enrollment, providing referrals to the
19 appropriate federal or state entity for grievances, complaints,
20 or questions regarding an enrollee's health plan, and providing
21 culturally and linguistically appropriate information to
22 persons served by the marketplace. An entity licensed as a
23 navigator under Code chapter 522D shall not engage in any
24 activities that require licensure as an insurance producer
25 unless the entity is also licensed as an insurance producer
26 under Code chapter 522B. The marketplace is authorized to
27 certify a health insurance plan as a qualified health plan if
28 the plan meets specified criteria.

29 The marketplace may charge assessments or user fees,
30 including transaction fees set at a percentage of premiums
31 paid, on health insurance plans sold through the marketplace,
32 or otherwise generate the funding necessary to support the
33 operation of the marketplace, including through donations,
34 as provided in the marketplace's plan of operation. The
35 marketplace is required to publish the average costs of

1 licensing, regulatory fees, and any other payments required
2 by the marketplace, as well as the administrative costs
3 of the marketplace on an internet site for the purpose
4 of educating consumers about the costs of operating the
5 marketplace. No state funding can be appropriated or allocated
6 for the operation or administration of the marketplace. Any
7 assessments or user fees charged must provide for sharing
8 the losses and expenses of the marketplace on an equitable
9 and proportionate basis among health carriers in the state.
10 The marketplace may accept federal funds as well as moneys
11 available from the Iowa comprehensive health insurance
12 association established in Code chapter 514E.

13 In consultation with and subject to the approval of the
14 board, the commissioner of insurance is required to adopt rules
15 pursuant to Code chapter 17A to effectuate and administer
16 the provisions of new Code chapter 514M. The board is to
17 be advised regarding implementation of the marketplace by
18 a committee consisting of members of the general assembly
19 appointed by the legislative council.

20 The marketplace is required to submit an annual report to the
21 commissioner, governor, general assembly, and the auditor of
22 state by January 15, which includes an accurate accounting of
23 all the activities of the marketplace and of all its receipts
24 and expenditures during the prior fiscal year. The report
25 shall also describe how the operations and activities of the
26 marketplace serve the interests of the state and further the
27 purposes of new Code chapter 514M.

28 The enactment of the Code chapter and actions taken by
29 the marketplace are not to be construed as preempting or
30 superseding the authority of the commissioner to regulate
31 insurance in this state.

32 The new Code chapter contains transition provisions that
33 require the commissioner of insurance and the department of
34 human services to apply for appropriate federal planning
35 and assistance grants relating to the establishment of the

1 marketplace. The transition provisions also require the
2 new marketplace board to be appointed and meet as soon as
3 possible after enactment of the bill, and in consultation
4 with the commissioner of insurance, begin plans to implement
5 the transition of the functions and administration of the
6 federal-state partnership exchange in full operation in this
7 state as of January 1, 2014, pursuant to the federal Act, to
8 the marketplace established pursuant to new Code chapter 514M.

9 The marketplace must be operational and offer enrollment in
10 qualified health plans to qualified individuals and qualified
11 employers in this state on or before October 1, 2015. The
12 qualified health plans that are offered through the marketplace
13 must be effective on January 1, 2016.

14 The commissioner of insurance is also directed to transfer
15 the functions and administration of the Iowa insurance
16 information exchange established in Code section 505.32 to the
17 marketplace on or before January 1, 2016, and Code section
18 505.32 is repealed.

19 The bill is effective January 1, 2015, except for the
20 transition provisions which take effect upon the bill's
21 enactment.